

BEFORE THE  
POSTAL RATE COMMISSION

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PROPOSED AMENDMENTS TO  
FILING REQUIREMENTS

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DOCKET NO. RM2003-1

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COMMENTS OF UNITED PARCEL SERVICE IN  
SUPPORT OF PROPOSED RULE  
(February 11, 2003)

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Pursuant to Commission Order No. 1355 (December 13, 2002), United Parcel Service ("UPS") hereby files its comments in support of the rule proposed by the Commission in its Order, with some suggested revisions.

In Order No. 1355, the Commission proposes a rule that would require the United States Postal Service to include, as part of its direct evidence in support of a request for a recommended decision on rate changes, "a single piece of testimony that provides an overview of its filing." Proposed Rule § 3001.53(b), Attachment to Order No. 1355. The proposed rule goes on to describe more specifically what should be addressed in that testimony. The proposed rule would also require the Postal Service to submit, as part of its direct case, testimony "that identifies and explains each material change in cost methodology, volume estimation, or rate design," including "a discussion of the impact of each such change on the levels of attributable costs, projected volumes and rate levels." *Id.*, § 3001.53(c). The intent of the proposed rule is to require the Postal

Service to submit “a single piece of summarizing testimony providing a roadmap of its filing and identifying all methodological changes.” Order No. 1355 at 5.

UPS endorses wholeheartedly the proposed rule. As the Commission so well describes in its Order, merely understanding the Postal Service’s initial filing imposes “substantial demands” on the parties. *Id.* Understanding the Postal Service’s direct case and how each piece of testimony fits into its proposals has been made much more difficult by the fact that recent rate requests have been so fragmented, involving testimony by forty or more witnesses. *Id.* at 6. UPS welcomes a rule that would require the Postal Service to file “testimony by a single witness that provides both an overview of how the testimony of its other witnesses interrelates and highlights all material changes” in costing, volume estimation, and rate design. *Id.* at 7. If well-done, such testimony should make it immeasurably easier for intervenors to understand the Postal Service’s specific proposals, thereby avoiding otherwise necessary discovery and permitting the parties to “cut to the quick” with more targeted discovery requests.

The American Postal Workers Union, AFL-CIO (“APWU”), has already filed comments in this docket in which it “welcomes the roadmap concept,” but suggests that “The roadmap . . . should be an institutional document - not the testimony of a single witness and not evidence.” Comments of American Postal Workers Union, AFL-CIO (APWU) Regarding Notice of Proposed Rulemaking Concerning Evidence Supporting Rate and Classification Changes (January 10, 2003). Instead, APWU suggests the Postal Service “ought to include in the roadmap . . . contact information for various parts of the case,” to permit the parties to engage in informal requests for clarification and information. *Id.*

The Postal Service already typically includes in its initial filing information concerning which of its attorneys represents which witnesses, and contact information so that the parties may ask those attorneys for clarification. See, for example, Attachment F to the Postal Service's Request in Docket No. R2001-1. That information has been very helpful, and UPS has availed itself of the opportunity to seek clarification through informal means in the past. However, piecemeal clarification efforts do not solve the problem which the proposed rule addresses. The procedure suggested by APWU works well where an intervenor has a very targeted request specific to a particular piece of testimony or a particular subclass of mail. However, it is not a substitute for information available to ***all*** parties to a case which gives an overview of the ***entire*** case, and how the various pieces of testimony fit together.

Also, it is far preferable for the "roadmap" to be in the form of testimony sponsored by a single witness. Otherwise, the "roadmap" would lose much of its value. Not only would the parties be better able to rely on the accuracy of information sponsored by a witness who is prepared to vouch for it, but the parties would also know how to direct discovery requests seeking further direction or clarification.

APWU suggests that the "designated witness may (and should) be reluctant to proffer information the witness does not fully comprehend." *Id.* But the point is that the single witness *should* be required to "fully comprehend" how the various pieces of the Postal Service's testimony fit together. Certainly, there is *someone* at the Postal Service responsible for making sure that its proposals constitute a coherent whole that makes sense. Otherwise, both the Postal Service and the Commission should be concerned about how well-thought out the Postal Service's case is.

Finally, UPS suggests the following minor revisions to the proposed rule which are intended solely to clarify rather than to modify the substance of the rules:

1. UPS suggests that proposed § 3001.53(b) be changed so that the testimony of the “roadmap” witness would describe rather than merely highlight “changes in cost methodology, volume estimation, or rate design . . . .” The intent is not to require the roadmap witness to be familiar with every detail supporting each proposed change, but rather to explain in a very general way what the change is and, at a very basic level, the reason for it. This would require changing the word “highlighting” in the first sentence of proposed § 3001.53(b) to “describing.”

2. Proposed § 3001.53(c) requires that the testimony of the individual witnesses responsible for explaining material changes in cost methodology, volume estimation, or rate design “also include a discussion of the impact of each such change on the levels of attributable costs, projected volumes, and rate levels.” UPS suggests that the phrase “for each affected subclass” be added to the end of the final sentence of § 3001.53(c), so that the witnesses sponsoring each material change would be required to indicate the impact of the change “on the levels of attributable costs, projected volumes, and rate levels for each affected subclass.” UPS believes that this is the intent of the proposed rule; if that is so, that intent should be made clear. If that is not the intent of the proposed rule, then UPS submits that a witness sponsoring a material change *should* be required to explain the impact of the change not only on system-wide

levels of attributable costs, volumes, and rate levels, but also on each affected subclass.

Respectfully submitted,

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#### CERTIFICATE OF SERVICE

I hereby certify that on this date I have caused the foregoing document to be served by first class mail, postage prepaid, in accordance with Section 12 of the Rules of Practice.

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John E. McKeever

Dated: February 11, 2003.